REMARKS

This is in response to the Office Action dated November 19, 2003. New claims 7-14 have been added. Thus, claims 1-14 are now pending.

Claim 3 stands rejected under 35 U.S.C. Section 112, second paragraph. This Section 112 rejection has been addressed and overcome by the changes to claim 3 herein.

Claim 1 stands rejected under 35 U.S.C. Section 102(e) as being allegedly anticipated by Yokonuma. This Section 102(e) rejection is respectfully traversed for at least the following reasons.

Claim 1 as amended requires that "said means for cutting out the cut-out portion from the image utilizes a cursor that may be moved around the image in order to select a portion to be cut out, <u>said cursor having an adjustable cursor size for cutting out the cut-out portion from the image and defining a size thereof, and wherein the cursor size of the cursor is adjusted based on the predetermined data amount or data amount optionally preset by the user</u>." Thus, it can be seen that claim 1 has been amended to state that the *cursor size, which defines the size of the cut-out portion of the image, is adjusted based on for example the predetermined data amount.* The cited art fails to disclose or suggest this aspect of amended claim 1.

Yokonuma fails to disclose or suggest the aforesaid aspect of claim 1. Yokonuma allegedly relates to a system for performing image compression in a manner so that a resulting compressed picture image will correspond to a predetermined target data amount. In particular, Yokonuma allegedly discloses that a compression level is raised

and lowered until the resulting compressed image satisfies a predetermined compression target data amount. However, it is clear that Yokonuma <u>fails</u> to disclose or suggest "said cursor having an adjustable cursor size for cutting out the cut-out portion from the image and defining a size thereof, and wherein the cursor size of the cursor is adjusted based on the predetermined data amount or data amount optionally preset by the user" as required by claim 1. Yokonuma is entirely unrelated to this aspect of claim 1.

Claim 7 requires that the *shape of the cursor* <u>is also adjusted based on the predetermined data amount or data amount optionally preset by the user</u>. Again, Yokonuma fails to disclose or suggest this aspect of dependent claim 7.

Claim 8 requires that "the <u>cursor size of the cursor is adjusted based on the predetermined data amount that is set based on the device to which image data is to be transmitted</u>." Again, Yokonuma fails to disclose or suggest this aspect of claim 8.

Claim 10 requires "adjusting the cursor size of the cursor based on the predetermined data amount, so that the size of the cut-out portion from the image is also adjusted based on the predetermined data amount." Again, Yokonuma fails to disclose or suggest this aspect of claim 10.

Claims 9 and 11 require adjusting a shape of the cursor based on the predetermined data amount. Again, the cited art fails to disclose or suggest this aspect of claims 9 and 11.
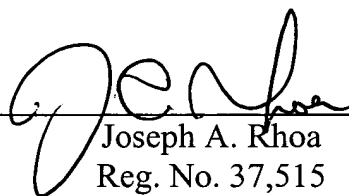
Claims 12-14 require that the <u>cursor size of the cursor is adjusted at least partially based on a number of usable colors</u>. Again, the cited art fails to disclose or suggest this aspect of claims 12-14.

For at least the foregoing reasons, it is respectfully requested that all rejections be withdrawn. All claims are in condition for allowance. If any minor matter remains to be resolved, the Examiner is invited to telephone the undersigned with regard to the same.

Respectfully submitted,

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